Q3/11

Interim Review

January 1 – September 30, 2011

Metso Corporation's Interim Review January 1 – September 30, 2011

Metso's strong performance continued

Figures in brackets, unless otherwise stated, refer to the comparison period, i.e. the same period in the previous year.

Highlights of the third quarter of 2011

- Strong performance continued in all our businesses and all financial key measurements improved.
- New orders worth EUR 1,918 million were received in July–September, i.e. 36 percent more than in the comparison period (EUR 1,409 million). Orders received by the services business increased and were EUR 717 million, i.e. 39 percent of all orders received (EUR 672 million and 48%).
- Net sales increased 18 percent on the comparison period, and were EUR 1,561 million (EUR 1,325 million). Our services business net sales totaled EUR 711 million and accounted for 48 percent of total net sales (EUR 615 million and 47%).
- Earnings before interest, tax and amortization (EBITA), before non-recurring items increased 27 percent and were EUR 163.0 million, i.e. 10.4 percent of net sales (EUR 128.6 million and 9.7%).
- Earnings per share were EUR 0.63 (EUR 0.45).
- Free cash flow was EUR 213 million (EUR 122 million).

Metso's President and CEO Matti Kähkönen comments on the third quarter:

All of our reporting segments received a higher number of new orders for equipment and services than in the comparison period, and the share of net sales for our services business was greater than ever before. The global economic turmoil was not evident in the operations of our customer industries in the third quarter; rather the general demand continued to be positive in both emerging and developed markets. Nevertheless, we are carefully monitoring the development of our market environment.

Our net sales grew organically 18 percent in July-September on the comparison period, and our profitability was solid thanks to the high delivery volumes and our good capacity utilization rates. Despite the high volume of deliveries, our net working capital was kept well under control. We can also be pleased with our good cash flow for the quarter. In addition, our earnings per share increased 40 percent from the comparison period and were EUR 0.63.

We keep our guidance for this year unchanged and estimate that our net sales in 2011 will grow by around 15 percent and that our profitability (EBITA margin before non-recurring items) will improve compared to 2010. Assuming that the growth in the global economy will not be disturbed and the development in our customer industries remains at current levels, we are confident that our record-high order backlog, which contains approximately EUR 2.8 billion in orders for delivery in 2012 and our strong balance sheet give us a solid starting point for the year ahead.

Metso's key figures

EUR million	Q3/11	Q3/10	Change %	Q1-Q3/11	Q1-Q3/10	Change %	2010
Net sales	**1,561**	1,325	18	**4,572**	3,865	18	5,552
Net sales of services business	**711**	615	16	**2,042**	1,738	17	2,453
% of net sales	**48**	47		**47**	46		45
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**163.0**	128.6	27	**426.4**	341.2	25	491.0
% of net sales	**10.4**	9.7		**9.3**	8.8		8.8
Operating profit	**149.4**	103.5	44	**383.3**	313.0	22	445.2
% of net sales	**9.6**	7.8		**8.4**	8.1		8.0
Earnings per share, EUR	**0.63**	0.45	40	**1.57**	1.21	30	1.71
Orders received	**1,918**	1,409	36	**6,648**	4,446	50	5,944
Orders received of services business	**717**	672	7	**2,431**	2,000	22	2,637
Order backlog at end of period				**5,926**	4,144	43	4,023
Free cash flow	**213**	122	75	**330**	321	3	435
Return on capital employed (ROCE) before taxes, annualized, %				**16.6**	13.0		13.5
Equity to assets ratio at end of period, %				**38.4**	37.2		38.1
Gearing at end of period, %				**13.8**	21.3		15.0

Metso's third quarter 2011 review

Operating environment and demand in July-September

There were no major changes in our operating environment or market activity in the third quarter, despite the unstable economic situation in Europe and the United States. Price inflation in raw materials eased up although wage inflation in the emerging markets continues. Our operating environment in the emerging markets remained strong. Good capacity utilization rates within our customer industries kept the demand for our services business at a good level.

The level of new inquiries for equipment and projects from mining companies was excellent. This has continued to have a positive impact on our orders received. Since several mining companies have confirmed significant capital investment programs for the coming years, activity has tended to be around larger project orders. Metal prices have come down from the peak levels of the first half of the year, but they still remain relatively high. As a result of good demand for minerals and our large installed equipment base, the demand for our services for mining equipment was excellent.

Economic growth continued in the Asia-Pacific region and Brazil, where infrastructure construction projects kept the demand for construction equipment at a good level. The demand for aggregates processing equipment by the construction industry in Europe and in North America continued satisfactory, even while the economic uncertainty delayed construction projects. Demand for our services for the construction industry also continued satisfactory.

Demand for power plants utilizing renewable energy sources improved and was good in Europe and North America. Several European countries and the United States have published targets to increase the use of renewable energy and this has supported the demand for our power plant solutions fuelled by biomass and waste. Uncertainties relating to the subsidy mechanisms for renewable energy will play a key role in final investment decisions. Demand for our power plant services business remained good.

The demand for our automation products was good during the quarter, as the oil, gas and petrochemical industries continued to invest. Demand for our automation products by the pulp and paper customer industry was also good. The demand for automation system services was excellent.

Demand for paper and board lines was satisfactory even though some of our customers in China have faced challenges with the availability of financing. Demand for tissue lines was good during the third quarter. The capacity utilization rates in the paper and board industry kept the demand for our services business at a good level.

Demand for new fiber lines, rebuilds and pulp mill services was good. The market for pulp mills slowed down following recent large project orders.

The demand for metal and solid waste recycling equipment stayed active in the third quarter. Demand for our recycling equipment services stabilized and was good as the capacity utilization rates of our customers' plants and equipment continued to be at a good level.

Orders received in July–September

In July–September, we received new orders worth EUR 1,918 million, i.e. 36 percent more than in the comparison period (EUR 1,409 million). New orders increased in all reporting segments, and especially in Western Europe, North America and in Africa and the Middle East. The share of emerging markets in our orders received was 52 percent (56%). Services orders grew 7 percent and accounted for 39 percent of the total orders (48%).Services orders increased in Mining and Construction Technology and in Paper and Fiber Technology. The share of emerging markets in our services orders received was 40 percent (43%).

Orders received by Mining and Construction Technology in July–September amounted to EUR 840 million, which was 31 percent more than in the comparison period (EUR 643 million). The strong increase in new orders was due to high operating activity within our customer industries and especially in South America. Orders from both mining and construction customers increased over 30 percent. Services orders grew 14 percent and accounted for 42 percent of all orders received by the segment; the growth came from both customer industries. Among the orders received by the segment in July–September were ball mills and crushers for Grupo Mexico for delivery to Mexico, complete crushing and screening plant to South America and fine grinding mills for Ferrexpo Poltava GOK to Ukraine.

Orders received by Energy and Environmental Technology increased 29 percent and totaled EUR 440 million (EUR 341 million). Orders received by the Power business increased 76 percent and in the Recycling business the increase was about 6 percent, while the Automation business was at the level of the comparison period. Services orders declined 12 percent from the comparison period and accounted for 33 percent of all orders received by the segment. Orders received included a 100 MWe biomass boiler island and plant automation system to the Gainesville Renewable Energy Center in Florida in the United States, automation systems and a wide range of process systems to Anhui Shanying Paper Industry in Anhui Province, China, and a biomass-fired boiler plant to the utility company Eneco in the Netherlands.

Orders received by Paper and Fiber Technology increased 39 percent on the comparison period and totaled EUR 578 million in July–September (EUR 417 million). Growth came particularly from the Paper and Fiber businesses, where new orders grew by more than 50 percent. Orders received by the Tissue and Fabrics businesses were at the level of the comparison period. Services orders grew 12 percent and accounted for 39 percent of orders received by the segment. Orders received included a multi-year mill maintenance agreement for Amcor Packaging's board making line to Australia, two containerboard machines for the Chinese company Anhui Shanying Paper Industry, and a coated board line for International Paper & Sun Cartonboard in China.

Financial performance in July–September

Our net sales in July–September totaled EUR 1,561 million, which is 18 percent more than a year earlier (EUR 1,325 million). Services business net sales increased 16 percent on the comparison period, and accounted for 48 percent of total net sales (47%).

In the third quarter, our earnings before interest, tax and amortization and before non-recurring items (EBITA before non-recurring items), were EUR 163.0 million, i.e. 10.4 percent of net sales (EUR 128.6 million and 9.7%). Profitability (EBITA margin before non-recurring items) improved in Energy and Environmental Technology and in Paper and Fiber Technology. Mining and Construction Technology continued to improve from the first two quarters of this year and also continues to take corrective action in those product categories, in which gross margin is trailing behind targeted levels.

The selling, general and administrative expenses of Group Head Office were at the level of the comparison period. In addition, Group Head Office's EBITA before non-recurring items included foreign exchange differences arising from foreign exchange forward contracts made by reporting segments with Group Treasury, market valuation of electricity forwards and other risk management related items.

Metso's operating profit (EBIT) was EUR 149.4 million, i.e. 9.6 percent of net sales (EUR 103.5 million and 7.8%). Our EBIT for July–September included the following non-recurring items, which had a total negative impact of EUR 0.1 million on our performance (negative impact of EUR 10.5 million):

Non-recurring items and amortization of intangible assets in July–September

Q3/2011 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	**74.9**	**50.6**	**35.5**	**163.0**
% of net sales	**11.0**	**12.5**	**8.2**	**10.4**
Intellectual property related items	-0.1	-	-	**-0.1**
Amortization of intangible assets *)	-2.1	-4.9	-5.1	**-13.5**
Operating profit (EBIT)	72.7	45.7	30.4	**149.4**

*) Includes EUR 6.0 million amortization of intangible assets acquired through business acquisitions.

Q3/2010 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	**74.9**	**31.7**	**31.8**	**128.6**
% of net sales	**13.3**	**10.2**	**7.2**	**9.7**
Capacity adjustment expenses	-1.2	-2.9	-2.7	**-6.8**
Intellectual property related items	-2.0	-	-	**-2.0**
Adjustments related to business disposal	-1.6	-	-	**-1.6**
Provision for prior years' ICMS (VAT) tax credit in Brazil	-0.1	-	-	**-0.1**
Amortization of intangible assets *)	-1.8	-5.0	-7.2	**-14.6**
Operating profit (EBIT)	68.2	23.8	21.9	**103.5**

*) Includes EUR 8.4 million amortization of intangible assets acquired through business acquisitions.

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Orders received and order backlog

In January–September, we received new orders worth EUR 6,648 million, i.e. 50 percent more than in the comparison period. The growth in demand was strong in Mining and Construction Technology and in Energy and Environmental Technology, where orders received increased more than 55 percent. New orders also increased in Paper and Fiber Technology, by 24 percent. Services orders grew 22 percent and totaled EUR 2,431 million. Emerging markets accounted for 44 percent of our services orders received (41%).

The three countries with the highest value of orders received were Brazil, the United States and China, which together accounted for 40 percent of all orders received. All four BRIC countries (Brazil, Russia, India and China) were among the 12 largest countries measured in terms of orders received. The share of emerging markets in our new orders was 53 percent (53%).

At the end of September, our order backlog was EUR 5,926 million, which was 47 percent stronger than at the end of 2010 (EUR 4,023 million). Around EUR 1.8 billion of the deliveries in our order backlog are expected to be recognized as net sales this year, and around 40 percent of these are services business orders. At the end of September, our order backlog included some EUR 340 million of orders with an uncertain delivery schedule (EUR 335 million at the end of June 2011, change in uncertainty results from exchange rate changes) and which will, according to present estimates, be delivered after 2012. The uncertainty in the order backlog concerns the Fibria pulp mill project in Brazil.

Orders received by reporting segment

	Q1-Q3/2011		Q1-Q3/2010	
	EUR million	**% of orders received**	EUR million	% of orders received
Mining and Construction Technology	**2,866**	**43**	1,806	40
Energy and Environmental Technology	**1,704**	**25**	1,081	24
Paper and Fiber Technology	**1,941**	**29**	1,560	35
Valmet Automotive	**205**	**3**	48	1
Intra-Metso orders received	**-68**		-49	
Metso total	**6,648**	**100**	4,446	100

Orders received by market area

	Q1-Q3/2011		Q1-Q3/2010	
	EUR million	**% of orders received**	EUR million	% of orders received
Europe	**2,090**	**31**	1,605	35
North America	**1,145**	**17**	659	15
South and Central America	**1,696**	**26**	647	15
Asia-Pacific	**1,382**	**21**	1,323	30
Africa and Middle East	**335**	**5**	212	5
Metso total	**6,648**	**100**	4,446	100

Net sales

Our net sales for January–September increased 18 percent on the comparison period and were EUR 4,572 million (EUR 3,865 million). The growth was strongest in Mining and Construction Technology, which recorded a growth of 21 percent. In Energy and Environmental Technology the growth was 16 percent and in Paper and Fiber Technology 7 percent. Net sales for our services business increased 17 percent and their share of the total net sales increased to 47 percent (46%). Emerging markets accounted for 43 percent of our services business net sales (40%).

Measured by net sales, the largest countries were the United States, China and Brazil, which together accounted for 35 percent of our net sales. The share of emerging markets of our net sales was 48 percent (49%).

Net sales by reporting segment

	Q1-Q3/2011		Q1-Q3/2010	
	EUR million	% of net sales	EUR million	% of net sales
Mining and Construction Technology	1,902	41	1,576	41
Energy and Environmental Technology	1,134	25	978	25
Paper and Fiber Technology	1,386	30	1,301	33
Valmet Automotive	205	4	48	1
Intra-Metso net sales	-55		-38	
Metso total	4,572	100	3,865	100

Net sales by market area

	Q1-Q3/2011		Q1-Q3/2010	
	EUR million	% of net sales	EUR million	% of net sales
Europe	1,627	35	1,370	36
North America	814	18	665	17
South and Central America	761	17	532	14
Asia-Pacific	1,148	25	1,086	28
Africa and Middle East	222	5	212	5
Metso total	4,572	100	3,865	100

Financial result

In January–September, our earnings before interest, tax and amortization and before non-recurring items (EBITA before non-recurring items), were EUR 426.4 million, i.e. 9.3 percent of net sales (EUR 341.2 million and 8.8%). Our EBITA before non-recurring items improved 25 percent on the comparison period. The improvement in our profitability resulted from increased delivery volumes and improved capacity utilization rates. As a result of higher business activity, selling, general and administrative expenses increased 8 percent on the comparison period (excluding the effect of exchange rate translation and non-recurring items). Profitability improved in all segments, especially in Energy and Environmental Technology and in Paper and Fiber Technology.

Group Head Office's selling, general and administrative expenses were approximately EUR 6 million higher than in the comparison period, mainly due to several development projects. Group Head Office's EBITA before non-recurring items included foreign exchange differences arising from forward contracts, market valuation of electricity forwards and other risk management related items. In January-September, foreign exchange gains and losses arising from forward contracts totaled zero, but in the comparison period we recognized foreign exchange gains of EUR 9 million resulting from foreign exchange forward contracts between the reporting segments and the Group Treasury. Corresponding foreign exchange loss was included in the operating results of the reporting segments.

In January-September of 2011, our operating profit (EBIT) was EUR 383.3 million, i.e. 8.4 percent of net sales (EUR 313.0 million and 8.1%). The EBIT includes EUR 4.7 million in non-recurring expenses (EUR 14.9 million in non-recurring income). Non-recurring items are specified in the following tables.

Non-recurring items and amortization of intangible assets

Q1-Q3/2011 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	**200.5**	**125.1**	**116.6**	**426.4**
% of net sales	**10.5**	**11.0**	**8.4**	**9.3**
Intellectual property related items	-0.8	-	-	**-0.8**
Gain on sale of production plant in Sweden	-	-	2.6	**2.6**
Cost related to business acquisition projects	-	-	-	**-0.4**
Costs related to bankruptcy of THINK Global A/S	-	-	-	**-6.1**
Amortization of intangible assets *)	-6.2	-13.8	-15.5	**-38.4**
Operating profit (EBIT)	193.5	111.3	103.7	**383.3**

*) Includes EUR 17.9 million amortization of intangible assets acquired through business acquisitions.

Q1-Q3/2010 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	**179.2**	**92.8**	**86.7**	**341.2**
% of net sales	**11.4**	**9.5**	**6.7**	**8.8**
Capacity adjustment expenses	-1.2	-7.9	-5.6	**-14.7**
Gain on sale of Talvivaara shares	1.1	-	-	**1.1**
Intellectual property related items	30.1	-	-	**30.1**
Gain on business disposal	0.9	-	-	**0.9**
Credit loss reserve related to two paper machine customers	-	-	0.9	**0.9**
Provision for prior years' ICMS (VAT) tax credits in Brazil	-3.4	-	-	**-3.4**
Amortization of intangible assets *)	-4.7	-14.9	-21.8	**-43.1**
Operating profit (EBIT)	202.0	70.0	60.2	**313.0**

*) Includes EUR 25.0 million amortization of intangible assets acquired through business acquisitions.

2010 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	**264.8**	**139.0**	**107.6**	**491.0**
% of net sales	**11.8**	**9.7**	**5.8**	**8.8**
Capacity adjustment expenses	-1.8	-7.9	-7.3	**-17.0**
Gain on sale of Talvivaara shares	8.4	-	-	**8.4**
Intellectual property related items	27.6	-	-	**27.6**
Gain on business disposal	0.9	-	-	**0.9**
Credit loss reserve related to two paper machine customers	-	-	0.9	**0.9**
Net effect for prior years' ICMS (VAT) tax credits in Brazil	-2.8	-	-2.0	**-4.8**
Costs related to business acquisition projects	-	-	-	**-4.2**
Amortization of intangible assets *)	-6.7	-19.7	-28.9	**-57.6**
Operating profit (EBIT)	290.4	111.4	70.3	**445.2**

*) Includes EUR 32.9 million amortization of intangible assets acquired through business acquisitions.

Net financing expenses in January–September were EUR 43 million (EUR 53 million). These included EUR 57 million in interest expenses (EUR 52 million), EUR 18 million in interest income (EUR 13 million), EUR 6 million in foreign exchange gains (losses of EUR 8 million), and EUR 10 million in other net financial expenses (expenses EUR 6 million).

Our profit before taxes was EUR 340 million (EUR 260 million), and we estimate our tax rate for 2011 to be 31 percent (30% in 2010).

The profit attributable to shareholders was EUR 235 million (EUR 181 million) in January–September, corresponding to earnings per share (EPS) of EUR 1.57 (EUR 1.21 per share).

The return on capital employed (ROCE) before taxes in January–September was 16.6 percent (13.0%) and the return on equity (ROE) was 15.9 percent (13.5%).

Cash flow and financing

In January–September, our net cash generated by operating activities was EUR 394 million (EUR 368 million). Despite the increasing delivery volumes, net working capital has remained close to the year-end level, as growth in inventories and receivables was largely compensated by advances received. Net working capital has increased EUR 7 million.

Free cash flow in January–September was EUR 330 million (EUR 321 million).

Net interest-bearing liabilities totaled EUR 278 million at the end of September (EUR 310 million at December 31, 2010).

Our total cash assets at the end of September were EUR 982 million, EUR 193 million of which had been invested in financial instruments with an initial maturity exceeding three months. The remaining EUR 789 million has been accounted for as cash and cash equivalents. In December 2010 we renewed our syndicated five-year EUR 500 million revolving credit facility. The facility is primarily to support short-term funding. Our liquidity position is good.

Our gearing at the end of September was 13.8 percent (21.3%) and our equity to assets ratio was 38.4 percent (37.2%). In April, following the Annual General Meeting, we paid EUR 232 million in dividends for 2010.

Capital expenditure and R&D

Our gross capital expenditure in January–September, excluding business acquisitions, was EUR 113 million (EUR 90 million). The share of maintenance investments was 62 percent, i.e. EUR 70 million (59% and EUR 53 million). We estimate capital expenditure in 2011 to increase 10–20 percent on the 2010 level (EUR 135 million).

Earlier in the year, a new facility was completed in the Helsinki region, Finland, to strengthen our global industrial valve production chain. The investment in buildings was accounted as an operating lease. In Massachusetts, in the United States, we are expanding our valve production facilities. The investment totals about EUR 4 million. In Peru and Chile, we are investing in new services workshops for Mining and Construction Technology. The second phase of construction on Metso's largest single investment so far in India, Metso Park, is currently under way. In Araucaria, Brazil, construction work on a new facility for our regional pulping and power operations is under way. The investment project in global enterprise resource planning (ERP) systems continues in the Automation business. In Mining and Construction Technology the extensive ERP project was finalized earlier this year.

Our research and development expenses increased in January–September 16 percent on the comparison period and totaled EUR 88 million, i.e. 1.9 percent of Metso's net sales (EUR 76 million and 2.0%). Our research and development activities focused on new services business solutions and cost competitiveness, i.e. energy and raw material efficiency. We have been focusing on areas that are important in terms of sustainability, such as energy and utilization of recycled raw material.

Acquisitions, divestments and joint ventures

In August, we acquired the mining services business of Copperstate Industrial Services, based in Arizona, the United States. The acquired business strengthens our position as a leading service and technology provider for the mining and construction sectors in North America and Mexico. A team of approximately 40 service personnel in the American hard-rock mining region was transferred to Metso.

In August, we entered into an agreement with the Chinese SAC, Guodian Nanjing Automation, to strengthen our position in the power automation control systems market in China. Metso owns 33 percent and SAC 67 percent of the new associated company. The new company will develop new products and provide comprehensive after-sales services. Associated company will have over 300 employees.

Personnel

At the end of the September, we had 30,093 employees, which was 5 percent more than at the end of 2010 (28,593 employees on December 31, 2010). The number of employees increased by about 1,500 people in January–September. Our personnel increased in all segments, mostly in Mining and Construction Technology. The proportion of our personnel in emerging markets increased from the comparison period and was 34 percent (32%) of Metso's total personnel. During January–September, we had an average of 29,406 employees.

Personnel by area

	Sep 30, 2011	% of total personnel	Sep 30, 2010	% of total personnel	Change %	Dec 31, 2010
Finland	9,052	30	8,767	32	3	8,748
Other Nordic countries	2,922	10	2,867	10	2	2,880
Rest of Europe	4,402	15	3,430	12	28	4,183
North America	3,765	12	3,454	13	9	3,491
South and Central America	3,322	11	3,045	11	9	3,166
Asia-Pacific	5,218	17	4,599	17	13	4,700
Africa and Middle East	1,412	5	1,390	5	2	1,425
Metso total	30,093	100	27,552	100	9	28,593

Changes in top management

Matti Kähkönen started as Metso's President and CEO on March 1, 2011, and at the same time, Metso's new Executive Team took office.

New organizational structure for Metso as of January 1, 2012

In September, Metso's Board of Directors decided to modify the company's business structure in order to more effectively reach the company's business targets. According to the decision, Metso's Power business, which is currently part of the Energy and Environmental Technology segment, will be integrated with the Paper and Fiber Technology segment. The Recycling business, also currently part of Energy and Environmental Technology, will be managed as a separate entity and Metso will review other strategic alternatives for it. The reporting segments in the new operating structure will be: Mining and Construction; Automation; and Pulp, Paper and Power. The Recycling and Valmet Automotive businesses will be managed as separate entities.

Reporting Segments

Mining and Construction Technology

EUR million	Q3/11	Q3/10	Change %	Q1-Q3/11	Q1-Q3/10	Change %	2010
Net sales	**678**	563	20	**1,902**	1,576	21	2,235
Net sales of services business	**350**	292	20	**996**	827	20	1,139
% of net sales	**52**	52		**53**	53		51
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**74.9**	74.9	0	**200.5**	179.2	12	264.8
% of net sales	**11.0**	13.3		**10.5**	11.4		11.8
Operating profit	**72.7**	68.2	7	**193.5**	202.0	-4	290.4
% of net sales	**10.7**	12.1		**10.2**	12.8		13.0
Orders received	**840**	643	31	**2,866**	1,806	59	2,457
Orders received of services business	**353**	311	14	**1,157**	915	26	1,223
Order backlog at end of period				**2,218**	1,329	67	1,356
Personnel at end of period				**10,962**	9,974	10	10,206

The net sales of Mining and Construction Technology grew 21 percent on the comparison period and were EUR 1,902 million. Net sales from mining customers were up 27 percent and from construction customers 8 percent. The services business net sales increased 20 percent and accounted for 53 percent of the segment's net sales.

Mining and Construction Technology's EBITA before non-recurring items was EUR 200.5 million, i.e. 10.5 percent of net sales. In general, profitability developed well and the investments in increased sales and marketing efforts paid off in higher volumes. Corrective actions have been implemented in those product categories in which margins have been weakening profitability compared to 2010.

Operating profit (EBIT) for January–September was EUR 193.5 million, i.e. 10.2 percent of net sales. The EBIT includes non-recurring expenses of EUR 0.8 million, whereas the non-recurring income was EUR 27.5 million in the comparison period (non-recurring items are analyzed in the 'Financial result' section).

Orders received by Mining and Construction Technology in January–September grew 59 percent from the comparison period and totaled EUR 2,866 million. Growth in new orders was strong for example in Sweden, Brazil, Russia and Australia. Orders from mining customers increased 75 percent and from construction customers 23 percent on the comparison period. Orders received grew strongly both in developed countries and in emerging markets. Orders from the emerging markets totaled 58 percent of the segment's orders received. Major orders received between January–September included minerals processing equipment and a multi-year service contract for Northland Resources' Kaunisvaara iron ore project in Sweden and for Russian Copper Company's copper operation in Russia, as well as crushing equipment for Fortescue Metals Group in Australia. The increase in service orders came mainly from the mining industry and was 26 percent.

The order backlog strengthened 64 percent during the first three quarters and totaled EUR 2,218 million at the end of September (EUR 1,356 million at the end of 2010).

Energy and Environmental Technology

EUR million	Q3/11	Q3/10	Change %	Q1-Q3/11	Q1-Q3/10	Change %	2010
Net sales	**405**	312	30	**1,134**	978	16	1,435
Net sales of services business	**159**	129	23	**446**	372	20	547
% of net sales	**41**	42		**41**	39		39
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**50.6**	31.7	60	**125.1**	92.8	35	139.0
% of net sales	**12.5**	10.2		**11.0**	9.5		9.7
Operating profit	**45.7**	23.8	92	**111.3**	70.0	59	111.4
% of net sales	**11.3**	7.6		**9.8**	7.2		7.8
Orders received	**440**	341	29	**1,704**	1,081	58	1,528
Orders received of services business	**142**	162	-12	**565**	460	23	599
Order backlog at end of period				**1,694**	1,159	46	1,158
Personnel at end of period				**6,303**	6,015	5	6,073

The net sales of Energy and Environmental Technology grew 16 percent from the comparison period and were EUR 1,134 million. Net sales increased some 20 percent in the Power business, 16 percent in Automation and 9 percent in Recycling. Net sales from services business increased 20 percent and accounted for 41 percent of the segment's net sales.

EBITA before non-recurring items was EUR 125.1 million, i.e. 11.0 percent of net sales. The improved profitability is due to improved sales volume and successful project execution.

Operating profit (EBIT) for January–September increased 59 percent and was EUR 111.3 million, i.e. 9.8 percent of net sales. The EBIT of the comparison period included EUR 7.9 million in non-recurring expenses, primarily related to capacity adjustment actions (non-recurring items are analyzed in the 'Financial result' section).

Orders received by the segment increased 58 percent on the comparison period and totaled EUR 1,704 million. Orders received increased in all businesses, especially in the Power business. Major orders during the reporting period in our Power business include key technology for the world's largest pulp mill for Suzano Papel e Celulose in Brazil and a biomass boiler island and plant automation system to the Gainesville Renewable Energy Center in Florida. Automation business orders include a service contract covering 11 refineries for the Brazilian energy company Petrobras. The Recycling business received an order for a metal shredder plant for the Russian Vyksa Steel Works. The increase in services orders was 23 percent and came from all businesses. Services orders accounted for 34 percent of all the segment's orders.

The order backlog at the end of September, EUR 1,694 million, was 46 percent higher than at the end of 2010 (EUR 1,158 million at the end of 2010). The order backlog included projects worth about EUR 90 million with uncertain delivery schedules. The uncertainty is related to the delivery of power boiler and automation technology for Fibria's pulp mill project in Brazil.

Paper and Fiber Technology

EUR million	Q3/11	Q3/10	Change %	Q1-Q3/11	Q1-Q3/10	Change %	2010
Net sales	**431**	443	-3	**1,386**	1,301	7	1,856
Net sales of services business	**202**	194	4	**600**	539	11	766
% of net sales	**48**	44		**44**	41		41
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**35.5**	31.8	12	**116.6**	86.7	34	107.6
% of net sales	**8.2**	7.2		**8.4**	6.7		5.8
Operating profit	**30.4**	21.9	39	**103.7**	60.2	72	70.3
% of net sales	**7.1**	4.9		**7.5**	4.6		3.8
Orders received	**578**	417	39	**1,941**	1,560	24	1,947
Orders received of services business	**222**	198	12	**709**	625	13	814
Order backlog at end of period				**2,074**	1,703	22	1,559
Personnel at end of period				**10,595**	10,388	2	10,362

The net sales of Paper and Fiber Technology grew 7 percent in the January–September period, and were EUR 1,386 million. The growth in net sales came from the Fiber and Tissue businesses and in the Paper business net sales decreased on the comparison period. The net sales of the services business increased 11 percent and accounted for 44 percent of the segment's net sales.

Paper and Fiber Technology's EBITA before non-recurring items was EUR 116.6 million, i.e. 8.4 percent of net sales. Profitability improved strongly in the capital business, mainly as a result of high volume and better capacity utilization. Also services business contributed strongly with high volumes and solid margins.

Operating profit (EBIT) in January-September was EUR 103.7 million, i.e. 7.5 percent of net sales. The EBIT included non-recurring income (non-recurring items are analyzed in the 'Financial result' section) that improved the result by EUR 2.6 million (non-recurring items weakened the EBIT by EUR 4.7 million).

The value of orders received by Paper and Fiber Technology increased 24 percent and totaled EUR 1,941 million. New orders from the pulp industry grew 65 percent. Orders from paper and board customers grew 12 percent whereas orders from tissue customers were down 4 percent. The growth in orders was strong especially in the capital business. Major orders received in January-September included the key technology for the world's largest pulp mill for Suzano Papel e Celulose in Brazil; and two containerboard machines for Anhui Shanying Paper Industry in China. Services orders increased 13 percent on the comparison period and accounted for 37 percent of the segment's orders.

The order backlog at the end of September increased 33 percent from the end of 2010 and was EUR 2,074 million (EUR 1,559 million at the end of 2010). Around EUR 250 million relates to the pulp mill project for Fibria in Brazil, for which the delivery schedule is still open.

Valmet Automotive

Valmet Automotive's net sales increased in January–September primarily as a result of the roof business acquired in the fourth quarter of 2010 and the increased sales of engineering services. Net sales were EUR 205 million (EUR 48 million). EBITA before non-recurring items was EUR 7.0 million positive (EUR 7.8 million negative). In the second quarter, EUR 6.1 million in non-recurring expenses were entered as a result of a petition for bankruptcy filed in June by THINK Global A/S. Due to the write-down, we recorded an operating loss of EUR 0.4 million in January–September.

Valmet Automotive employed 1,556 people (1,425 employees on December 31, 2010), of which about half were employed in Finland and the rest mainly in Germany and Poland.

In March, series production of the hybrid electric vehicle Fisker Karma was started in Finland. The production volume will increase towards the end of the year.

Events after the review period

Composition of Metso's Nomination Board

On October 3, Metso announced the composition of the Nomination Board. Metso's Annual General Meeting decided to establish a Nomination Board to prepare proposals on members of the Board of Directors and their remuneration for the AGM. The representatives of the four largest shareholders registered in Metso's shareholder register as of October 1, 2011 were elected along with the Chairman of the Board of Directors Jukka Viinanen as an expert member. The largest shareholders were Solidium Oy, Cevian Capital II Master Fund, Ilmarinen Mutual Pension Insurance Company and Varma Mutual Pension Insurance Company.

Short-term risks of business operations

The uncertainty in the euro zone and budget deficit in the United States are creating potential negative impact on funding from capital markets coupled with fluctuations in exchange rates.

If the growth in the global economy is disturbed, it might have adverse effects on new projects under negotiation or on projects in our order backlog. Some projects may be postponed or they may be suspended or canceled. At the end of September, our order backlog included some EUR 340 million with an uncertain delivery schedule which will, according to present estimates, be delivered after 2012. This related to the pulp mill project for Fibria in Brazil. In long-term delivery projects the initial customer down payments are typically 10–30 percent of the value of the project, in addition to which the customer makes progress payments during the project execution. This significantly decreases our risk and financing requirements related to these projects. We continually assess our customers' creditworthiness and ability to meet their obligations. As a rule, we do not finance customer projects. If the growth in the global economy slows down significantly, the markets for our products may shrink, which may lead to tightening price competition.

Securing the continuity of our operations requires that we have sufficient funding available under all circumstances. We estimate that our cash assets totaling EUR 982 million and available credit facilities are sufficient to secure short-term liquidity and overall financial flexibility. The average maturity for our long-term debt, current portions included, is 2.7 years. There are no prepayment covenants in our debt facilities that would be triggered by changes in credit ratings. Some of our debt facilities include financial covenants related to capital structure. We fully meet the covenants and other terms related to our financing agreements.

The levels of net working capital and capital expenditure have a key impact on the adequacy of financing. We have developed our practices and the supporting information systems relating to the management of net working capital. We expect that these measures will help us to control movements in our net working capital. We estimate that we are well positioned to keep our capital expenditure at the level of total amortization and depreciation.

At the end of September, we had EUR 877 million of goodwill on our balance sheet which is mainly related to business acquisitions made over the last 10 years. We conduct impairment tests regularly once a year and more frequently if needed, and have not detected any impairment. The principles for the impairment testing are presented in our Annual Report.

Changes in labor costs and in the prices of raw materials and components can affect our profitability. Currently there are also high inflationary pressures. Our target is to pass the cost increases to our sales prices, but there's a risk that tight competition doesn't allow us targeted cost compensation in all product categories. On the other hand, some of our customers are raw material producers whose ability to operate and invest may be enhanced by strengthening raw material prices and hampered by declining raw material prices.

Currency exchange rate risks are among the most substantial financial risks to Metso. Exchange rate changes can affect our business, although the wide geographical scope of our operations decreases the impact of any individual currency. In general, uncertainty in the economy is likely to increase exchange rate fluctuations. We hedge the currency exposures that arise from firm delivery and purchase agreements.

Short-term outlook

During July-September, the demand was healthy in most of our customer industries with certain variability by customer industry and geographic area. We estimate that in the emerging markets the operating environment continues to be good. The uncertainty in the euro zone, the budget deficit in the United States, the availability of financing and fluctuations in the exchange rates may, however, slow down market activity during the rest of 2011 and in the early part of 2012. We anticipate that even in a case of a slowdown in western economies, most of our customer industries will continue to utilize their capacity at a good or satisfactory level supporting our services business.

Metal prices have come down from the peak levels of the early part of the year, but remain still relatively high. The activity level for quotations for equipment and projects from mining companies has been excellent. We expect the mining market to be at a good level for the rest of the year and in the early part of 2012. However, a potential further tightening of availability of financing and a continued decline in metal prices may have a negative impact on the demand for new equipment. Due to the expected high utilization rates of mines and our large installed equipment base, we expect demand for our mining services to continue excellent.

In the Asia-Pacific region and Brazil, economic growth continues and infrastructure construction projects are maintaining demand for construction equipment at a good level. We anticipate that demand for equipment used in aggregates processing by the construction industry in Europe and in North America will stay at the current relatively low level going forward. We estimate that demand for our services for the construction industry will remain satisfactory.

Demand for power plants that utilize renewable energy sources is expected to continue satisfactory in 2011 and in the early part of 2012. There is continuous need to replace old energy sources and build new capacity. Several European countries and the United States have published targets to increase the use of renewable energy and this is expected to support demand for our power plant solutions fuelled by biomass and recycled waste. However, the pending policies over subsidy mechanisms for renewable energy are estimated to have a key impact on investment decisions. Demand for the power plant services business is expected to be good.

We estimate that demand for our automation products will continue to be good this year and early next year, while we anticipate the activity from the pulp and paper industry to somewhat slow down. We expect the demand for our automation solution services to continue excellent.

Demand for paper, board and tissue lines is expected to be satisfactory in 2011 and in the early part of 2012. Capacity utilization rates in the paper and board industry may fall somewhat, yet keep the demand for our services at a good level.

We expect the market for pulp mills to slow down after recent large project orders. The demand for rebuilds and services is expected to continue good even though lower pulp prices and lower capacity utilization rates may stabilize the demand.

We expect the demand for metal and solid waste recycling equipment to be satisfactory. Demand for recycling equipment services is expected to stabilize as the production utilization rates in the steel industry have started to slow down.

As earlier, we estimate that our net sales in 2011 will grow by around 15 percent and that our profitability (EBITA margin before non-recurring items) will improve compared to 2010. Our estimate is based on Metso's development in January–September and on our order backlog, which contains orders worth about EUR 1.8 billion for delivery in 2011.

Assuming that the growth in the global economy will not be disturbed and the development in our customer industries remains at current levels, we are confident that our record-high order backlog, which contains approximately EUR 2.8 billion in orders for delivery in 2012, and our strong balance sheet give us a solid starting point for the year ahead.

The estimates for our financial performance in 2011 and 2012 are based on Metso's current market outlook and business scope as well as on foreign exchange rates similar to those of September 2011.

Helsinki, October 27, 2011

Metso Corporation's Board of Directors

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:

(1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins
(2) the competitive situation, especially significant technological solutions developed by competitors
(3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
(4) the success of pending and future acquisitions and restructuring.

Consolidated statement of income

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Net sales	1,561	1,325	4,572	3,865	5,552
Cost of goods sold	-1,157	-969	-3,379	-2,857	-4,130
Gross profit	404	356	1,193	1,008	1,422
Selling, general and administrative expenses	-252	-251	-805	-744	-1,028
Other operating income and expenses, net	-3	-2	-5	49	50
Share in profits of associated companies	0	0	0	0	1
Operating profit	149	103	383	313	445
Financial income and expenses, net	-16	-8	-43	-53	-75
Profit before taxes	133	95	340	260	370
Income taxes	-41	-28	-105	-78	-112
Profit	92	67	235	182	258
Attributable to:					
Shareholders of the company	94	67	235	181	257
Non-controlling interests	-2	0	0	1	1
Profit	92	67	235	182	258
Earnings per share, EUR	0.63	0.45	1.57	1.21	1.71
Diluted earnings per share, EUR	0.63	0.45	1.57	1.21	1.71

Consolidated statement of comprehensive income

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Profit	92	67	235	182	258
Cash flow hedges, net of tax	-13	36	-14	16	24
Available-for-sale equity investments, net of tax	0	1	0	1	-4
Currency translation on subsidiary net investments	-1	-58	-56	81	121
Net investment hedge gains (+) / losses (-), net of tax	0	17	10	-10	-13
Defined benefit plan actuarial gains (+) / losses (-), net of tax	-	-	-	-	-11
Other comprehensive income (+) / expense (-)	-14	-4	-60	88	117
Total comprehensive income (+) / expense (-)	78	63	175	270	375
Attributable to:					
Shareholders of the company	80	63	175	269	374
Non-controlling interests	-2	0	0	1	1
Total comprehensive income (+) / expense (-)	78	63	175	270	375

Consolidated balance sheet

ASSETS

EUR million	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
Non-current assets			
Intangible assets			
Goodwill	**877**	877	880
Other intangible assets	**268**	290	287
	1,145	1,167	1,167
Property, plant and equipment			
Land and water areas	**64**	64	64
Buildings and structures	**280**	271	283
Machinery and equipment	**414**	448	459
Assets under construction	**74**	42	43
	832	825	849
Financial and other assets			
Investments in associated companies	**14**	13	14
Available-for-sale equity investments	**6**	17	9
Loan and other interest bearing receivables	**9**	6	6
Available-for-sale financial investments	**2**	256	169
Financial instruments held for trading	**-**	45	-
Derivative financial instruments	**0**	0	2
Deferred tax asset	**160**	179	168
Other non-current assets	**36**	27	42
	227	543	410
Total non-current assets	**2,204**	2,535	2,426
Current assets			
Inventories	**1,615**	1,320	1,305
Receivables			
Trade and other receivables	**1,352**	1,156	1,242
Cost and earnings of projects under construction in excess of advance billings	**290**	308	287
Loan and other interest bearing receivables	**1**	5	6
Available-for-sale financial assets	**131**	61	178
Financial instruments held for trading	**60**	-	59
Derivative financial instruments	**42**	51	55
Income tax receivables	**38**	42	29
	1,914	1,623	1,856
Cash and cash equivalents	**789**	622	645
Total current assets	**4,318**	3,565	3,806
TOTAL ASSETS	**6,522**	6,100	6,232

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
Equity			
Share capital	241	241	241
Cumulative translation adjustments	0	9	46
Fair value and other reserves	713	722	726
Retained earnings	1,039	967	1,036
Equity attributable to shareholders	1,993	1,939	2,049
Non-controlling interests	20	9	22
Total equity	2,013	1,948	2,071
Liabilities			
Non-current liabilities			
Long-term debt	792	1,240	956
Post employment benefit obligations	192	192	195
Provisions	63	55	59
Derivative financial instruments	4	9	3
Deferred tax liability	42	50	50
Other long-term liabilities	3	9	6
Total non-current liabilities	1,096	1,555	1,269
Current liabilities			
Current portion of long-term debt	420	124	388
Short-term debt	58	46	29
Trade and other payables	1,311	1,258	1,377
Provisions	233	214	230
Advances received	701	526	503
Billings in excess of cost and earnings of projects under construction	585	336	299
Derivative financial instruments	49	40	30
Income tax liabilities	56	53	36
Total current liabilities	3,413	2,597	2,892
Total liabilities	4,509	4,152	4,161
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,522	6,100	6,232

NET INTEREST BEARING LIABILITIES

EUR million	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
Long-term interest bearing debt	792	1,240	956
Short-term interest bearing debt	478	170	417
Cash and cash equivalents	-789	-622	-645
Other interest bearing assets	-203	-373	-418
Total	278	415	310

Condensed consolidated cash flow statement

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Cash flows from operating activities:					
Profit	**92**	67	**235**	182	258
Adjustments to reconcile profit to net cash provided by operating activities					
Depreciation and amortization	**46**	45	**130**	132	178
Interests and dividend income	**15**	13	**39**	40	51
Income taxes	**41**	28	**105**	78	112
Other	**14**	-11	**19**	16	38
Change in net working capital	**63**	24	**-7**	31	25
Cash flows from operations	**271**	166	**521**	479	662
Interest paid and dividends received	**-4**	-5	**-34**	-40	-58
Income taxes paid	**-31**	-23	**-93**	-71	-98
Net cash provided by operating activities	**236**	138	**394**	368	506
Cash flows from investing activities:					
Capital expenditures on fixed assets	**-41**	-30	**-113**	-88	-134
Proceeds from sale of fixed assets	**1**	2	**6**	6	7
Business acquisitions, net of cash acquired	**-5**	-2	**-15**	-7	-21
Proceeds from sale of businesses, net of cash sold	**-**	-	**-**	10	8
Investments in (-) / proceeds from (+) sale of financial assets	**130**	-23	**213**	-113	-147
Other	**2**	2	**3**	6	5
Net cash provided by (+) / used in (-) investing activities	**87**	-51	**94**	-186	-282
Cash flows from financing activities:					
Redemption of own shares	**-**	-	**-**	-7	-7
Dividends paid	**-**	-	**-232**	-105	-105
Changes in ownership interests in subsidiaries	**-**	-	**-**	-	20
Net funding	**-23**	-19	**-97**	-196	-243
Other	**-**	-	**-2**	-1	-4
Net cash used in financing activities	**-23**	-19	**-331**	-309	-339
Net increase (+) / decrease (-) in cash and cash equivalents	**300**	68	**157**	-127	-115
Effect from changes in exchange rates	**-1**	-14	**-13**	22	33
Cash and cash equivalents at beginning of period	**490**	568	**645**	727	727
Cash and cash equivalents at end of period	**789**	622	**789**	622	645

FREE CASH FLOW

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Net cash provided by operating activities	**236**	138	**394**	368	506
Capital expenditures on maintenance investments	**-24**	-18	**-70**	-53	-78
Proceeds from sale of fixed assets	**1**	2	**6**	6	7
Free cash flow	**213**	122	**330**	321	435

Consolidated statement of changes in shareholders' equity

EUR million	Share capital	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
Balance at Jan 1, 2010	**241**	**-62**	**710**	**894**	**1,783**	**9**	**1,792**
Profit	-	-	-	181	181	1	182
Other comprehensive income (+) / expense (-)							
Cash flow hedges, net of tax	-	-	16	-	16	-	16
Available-for-sale equity investments, net of tax	-	-	1	-	1	-	1
Currency translation on subsidiary net investments	-	81	-	-	81	-	81
Net investment hedge gains (losses), net of tax	-	-10	-	-	-10	-	-10
Total comprehensive income (+) / expense (-)	-	71	17	181	269	1	270
Dividends	-	-	-	-105	-105	-	-105
Donations to universities	-	-	-	-2	-2	-	-2
Redemption of own shares	-	-	-7	-	-7	-	-7
Share-based payments, net of tax	-	-	2	-	2	-	2
Other	-	-	-	-1	-1	-1	-2
Balance at Sep 30, 2010	**241**	**9**	**722**	**967**	**1,939**	**9**	**1,948**
Balance at Jan 1, 2011	**241**	**46**	**726**	**1,036**	**2,049**	**22**	**2,071**
Profit	-	-	-	235	235	0	235
Other comprehensive income (+) / expense (-)							
Cash flow hedges, net of tax	-	-	-14	-	-14	-	-14
Available-for-sale equity investments, net of tax	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	-56	-	-	-56	-	-56
Net investment hedge gains (losses), net of tax	-	10	-	-	10	-	10
Total comprehensive income (+) / expense (-)	-	-46	-14	235	175	0	175
Dividends	-	-	-	-232	-232	0	-232
Redemption of own shares	-	-	-	-	-	-	-
Share-based payments, net of tax	-	-	1	0	1	-	1
Other	-	-	-	0	0	-1	-1
Changes in non-controlling interests	-	-	-	-	-	-1	-1
Balance at Sep 30, 2011	**241**	**0**	**713**	**1,039**	**1,993**	**20**	**2,013**

Acquisitions

In August, Metso acquired the business of Copperstate Industrial Services, Inc., a mining services provider based in Phoenix, Arizona USA. The purchase price was EUR 5 million. This business was consolidated from August 1, 2011 onwards into the Mining and Construction Technology segment.

The Karmann convertible roof business was acquired in November 2010, and a EUR 10 million portion of the purchase price was paid in the first quarter of 2011.

Assets pledged and contingent liabilities

EUR million	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
Mortgages on corporate debt	**2**	2	2
Other pledges and contingencies			
Mortgages	**3**	2	2
Pledged assets	**-**	-	-
Guarantees on behalf of associated company obligations	**-**	-	-
Other guarantees	**7**	4	4
Repurchase and other commitments	**5**	6	5
Lease commitments	**230**	229	242

Notional amounts of derivative financial instruments

EUR million	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
Forward exchange rate contracts	**2,932**	2,049	2,137
Interest rate swaps	**75**	163	163
Cross currency swaps	**33**	-	-
Option agreements			
Bought	**1**	2	2
Sold	**10**	10	10

The notional amount of electricity forwards was 705 GWh as of September 30, 2011 and 671 GWh as of September 30, 2010.
The notional amount of nickel forwards to hedge stainless steel prices was 564 tons as of September 30, 2011 and 534 tons as of September 30, 2010.
The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk.

Key ratios

	1-9/2011	1-9/2010	1-12/2010
Earnings per share, EUR	**1.57**	1.21	1.71
Diluted earnings per share, EUR	**1.57**	1.21	1.71
Equity/share at end of period, EUR	**13.32**	12.96	13.69
Return on equity (ROE), % (annualized)	**15.9**	13.5	13.6
Return on capital employed (ROCE) before tax, % (annualized)	**16.6**	13.0	13.5
Return on capital employed (ROCE) after tax, % (annualized)	**12.4**	9.8	10.2
Equity to assets ratio at end of period, %	**38.4**	37.2	38.1
Gearing at end of period, %	**13.8**	21.3	15.0
Free cash flow, EUR million	**330**	321	435
Free cash flow/share, EUR	**2.20**	2.14	2.91
Cash conversion, %	**141**	176	169
Gross capital expenditure (excl. business acquisitions), EUR million	**113**	90	135
Business acquisitions, net of cash acquired, EUR million	**15**	7	21
Depreciation and amortization, EUR million	**130**	132	178
Number of outstanding shares at end of period (thousands)	**149,630**	149,631	149,630
Average number of shares (thousands)	**149,630**	149,700	149,683
Average number of diluted shares (thousands)	**149,840**	149,825	149,837

Exchange rates used

		1-9/2011	1-9/2010	1-12/2010	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
USD	(US dollar)	**1.4101**	1.3267	1.3299	**1.3503**	1.3648	1.3362
SEK	(Swedish krona)	**8.9982**	9.6665	9.5510	**9.2580**	9.1421	8.9655
GBP	(Pound sterling)	**0.8752**	0.8593	0.8585	**0.8667**	0.8600	0.8608
CAD	(Canadian dollar)	**1.3816**	1.3827	1.3773	**1.4105**	1.4073	1.3322
BRL	(Brazilian real)	**2.3059**	2.3574	2.3379	**2.5067**	2.3201	2.2177
CNY	(Chinese renminbi)	**9.1567**	9.0236	8.9975	**8.6207**	9.1321	8.8220
AUD	(Australian dollar)	**1.3524**	1.4774	1.4514	**1.3874**	1.4070	1.3136

Formulas for calculation of indicators

EBITA before non-recurring items:
Operating profit + amortization + goodwill impairment + non-recurring items

Earnings/share:

$$\frac{\text{Profit attributable to shareholders of the company}}{\text{Average number of outstanding shares during period}}$$

Equity/share:

$$\frac{\text{Equity attributable to shareholders}}{\text{Number of outstanding shares at end of period}}$$

Return on equity (ROE), %:

$$\frac{\text{Profit}}{\text{Total equity (average for period)}} \times 100$$

Return on capital employed (ROCE) before tax, %:

$$\frac{\text{Profit before tax + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Return on capital employed (ROCE) after tax, %:

$$\frac{\text{Profit + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Gearing, %:

$$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$$

Equity to assets ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total – advances received}} \times 100$$

Free cash flow:

Net cash provided by operating activities
- capital expenditures on maintenance investments
+ proceeds from sale of fixed assets
= Free cash flow

Cash conversion, %:

$$\frac{\text{Free cash flow}}{\text{Profit}} \times 100$$

Segment information

NET SALES

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**678**	563	**1,902**	1,576	2,561	2,235
Energy and Environmental Technology	**405**	312	**1,134**	978	1,591	1,435
Paper and Fiber Technology	**431**	443	**1,386**	1,301	1,941	1,856
Valmet Automotive	**71**	20	**205**	48	241	84
Group Head Office and other	**-**	-	**-**	-	-	-
Group Head Office and others total	**71**	20	**205**	48	241	84
Intra Metso net sales	**-24**	-13	**-55**	-38	-75	-58
Metso total	**1,561**	1,325	**4,572**	3,865	6,259	5,552

EBITA BEFORE NON-RECURRING ITEMS

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**74.9**	74.9	**200.5**	179.2	286.1	264.8
Energy and Environmental Technology	**50.6**	31.7	**125.1**	92.8	171.3	139.0
Paper and Fiber Technology	**35.5**	31.8	**116.6**	86.7	137.5	107.6
Valmet Automotive	**1.5**	0.7	**7.0**	-7.8	10.2	-4.6
Group Head Office and other	**0.5**	-10.5	**-22.8**	-9.7	-28.9	-15.8
Group Head Office and others total	**2.0**	-9.8	**-15.8**	-17.5	-18.7	-20.4
Metso total	**163.0**	128.6	**426.4**	341.2	576.2	491.0

EBITA BEFORE NON-RECURRING ITEMS, % OF NET SALES

%	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**11.0**	13.3	**10.5**	11.4	11.2	11.8
Energy and Environmental Technology	**12.5**	10.2	**11.0**	9.5	10.8	9.7
Paper and Fiber Technology	**8.2**	7.2	**8.4**	6.7	7.1	5.8
Valmet Automotive	**2.1**	3.5	**3.4**	-16.3	4.2	-5.5
Group Head Office and other	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Group Head Office and others total	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Metso total	**10.4**	9.7	**9.3**	8.8	9.2	8.8

NON-RECURRING ITEMS

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**-0.1**	-4.9	**-0.8**	27.5	4.0	32.3
Energy and Environmental Technology	**-**	-2.9	**-**	-7.9	0.0	-7.9
Paper and Fiber Technology	**-**	-2.7	**2.6**	-4.7	-1.1	-8.4
Valmet Automotive	**-**	-	**-6.1**	-	-7.9	-1.8
Group Head Office and other	**-**	-	**-0.4**	-	-2.8	-2.4
Group Head Office and others total	**-**	-	**-6.5**	-	-10.7	-4.2
Metso total	**-0.1**	-10.5	**-4.7**	14.9	-7.8	11.8

AMORTIZATION

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**-2.1**	-1.8	**-6.2**	-4.7	-8.2	-6.7
Energy and Environmental Technology	**-4.9**	-5.0	**-13.8**	-14.9	-18.6	-19.7
Paper and Fiber Technology	**-5.1**	-7.2	**-15.5**	-21.8	-22.6	-28.9
Valmet Automotive	**-0.6**	0.0	**-1.3**	0.0	-1.3	0.0
Group Head Office and other	**-0.8**	-0.6	**-1.6**	-1.7	-2.2	-2.3
Group Head Office and others total	**-1.4**	-0.6	**-2.9**	-1.7	-3.5	-2.3
Metso total	**-13.5**	-14.6	**-38.4**	-43.1	-52.9	-57.6

OPERATING PROFIT (LOSS)

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**72.7**	68.2	**193.5**	202.0	281.9	290.4
Energy and Environmental Technology	**45.7**	23.8	**111.3**	70.0	152.7	111.4
Paper and Fiber Technology	**30.4**	21.9	**103.7**	60.2	113.8	70.3
Valmet Automotive	**0.9**	0.7	**-0.4**	-7.8	1.0	-6.4
Group Head Office and other	**-0.3**	-11.1	**-24.8**	-11.4	-33.9	-20.5
Group Head Office and others total	**0.6**	-10.4	**-25.2**	-19.2	-32.9	-26.9
Metso total	**149.4**	103.5	**383.3**	313.0	515.5	445.2

OPERATING PROFIT (LOSS), % OF NET SALES

%	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**10.7**	12.1	**10.2**	12.8	11.0	13.0
Energy and Environmental Technology	**11.3**	7.6	**9.8**	7.2	9.6	7.8
Paper and Fiber Technology	**7.1**	4.9	**7.5**	4.6	5.9	3.8
Valmet Automotive	**1.3**	3.5	**-0.2**	-16.3	0.4	-7.6
Group Head Office and other	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Group Head Office and others total	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Metso total	**9.6**	7.8	**8.4**	8.1	8.2	8.0

ORDERS RECEIVED

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	10/2010-9/2011	1-12/2010
Mining and Construction Technology	**840**	643	**2,866**	1,806	3,517	2,457
Energy and Environmental Technology	**440**	341	**1,704**	1,081	2,151	1,528
Paper and Fiber Technology	**578**	417	**1,941**	1,560	2,328	1,947
Valmet Automotive	**71**	20	**205**	48	241	84
Group Head Office and other	**-**	-	**-**	-	-	-
Group Head Office and others total	**71**	20	**205**	48	241	84
Intra Metso orders received	**-11**	-12	**-68**	-49	-91	-72
Metso total	**1,918**	1,409	**6,648**	4,446	8,146	5,944

Quarterly information

NET SALES

EUR million	7-9/2010	10-12/2010	1-3/2011	4-6/2011	7-9/2011
Mining and Construction Technology	563	659	560	664	**678**
Energy and Environmental Technology	312	457	347	382	**405**
Paper and Fiber Technology	443	555	482	473	**431**
Valmet Automotive	20	36	68	66	**71**
Group Head Office and other	-	-	-	-	**-**
Group Head Office and others total	20	36	68	66	**71**
Intra Metso net sales	-13	-20	-13	-18	**-24**
Metso total	1,325	1,687	1,444	1,567	**1,561**

EBITA BEFORE NON-RECURRING ITEMS

EUR million	7-9/2010	10-12/2010	1-3/2011	4-6/2011	7-9/2011
Mining and Construction Technology	74.9	85.6	56.7	68.9	**74.9**
Energy and Environmental Technology	31.7	46.2	36.5	38.0	**50.6**
Paper and Fiber Technology	31.8	20.9	39.9	41.2	**35.5**
Valmet Automotive	0.7	3.2	2.7	2.8	**1.5**
Group Head Office and other	-10.5	-6.1	-12.2	-11.1	**0.5**
Group Head Office and others total	-9.8	-2.9	-9.5	-8.3	**2.0**
Metso total	128.6	149.8	123.6	139.8	**163.0**

EBITA BEFORE NON-RECURRING ITEMS, % OF NET SALES

%	7-9/2010	10-12/2010	1-3/2011	4-6/2011	7-9/2011
Mining and Construction Technology	13.3	13.0	10.1	10.4	**11.0**
Energy and Environmental Technology	10.2	10.1	10.5	9.9	**12.5**
Paper and Fiber Technology	7.2	3.8	8.3	8.7	**8.2**
Valmet Automotive	3.5	8.9	4.0	4.2	**2.1**
Group Head Office and other	n/a	n/a	n/a	n/a	**n/a**
Group Head Office and others total	n/a	n/a	n/a	n/a	**n/a**
Metso total	9.7	8.9	8.6	8.9	**10.4**

NON-RECURRING ITEMS

EUR million	7-9/2010	10-12/2010	1-3/2011	4-6/2011	7-9/2011
Mining and Construction Technology	-4.9	4.8	-0.4	-0.3	**-0.1**
Energy and Environmental Technology	-2.9	0.0	-	-	**-**
Paper and Fiber Technology	-2.7	-3.7	2.6	-	**-**
Valmet Automotive	-	-1.8	-	-6.1	**-**
Group Head Office and other	-	-2.4	-0.4	-	**-**
Group Head Office and others total	-	-4.2	-0.4	-6.1	**-**
Metso total	-10.5	-3.1	1.8	-6.4	**-0.1**

AMORTIZATION

EUR million	7-9/2010	10-12/2010	1-3/2011	4-6/2011	**7-9/2011**
Mining and Construction Technology	-1.8	-2.0	-2.0	-2.1	**-2.1**
Energy and Environmental Technology	-5.0	-4.8	-4.5	-4.4	**-4.9**
Paper and Fiber Technology	-7.2	-7.1	-5.2	-5.2	**-5.1**
Valmet Automotive	0.0	0.0	-0.3	-0.4	**-0.6**
Group Head Office and other	-0.6	-0.6	-0.5	-0.3	**-0.8**
Group Head Office and others total	-0.6	-0.6	-0.8	-0.7	**-1.4**
Metso total	-14.6	-14.5	-12.5	-12.4	**-13.5**

OPERATING PROFIT (LOSS)

EUR million	7-9/2010	10-12/2010	1-3/2011	4-6/2011	**7-9/2011**
Mining and Construction Technology	68.2	88.4	54.3	66.5	**72.7**
Energy and Environmental Technology	23.8	41.4	32.0	33.6	**45.7**
Paper and Fiber Technology	21.9	10.1	37.3	36.0	**30.4**
Valmet Automotive	0.7	1.4	2.4	-3.7	**0.9**
Group Head Office and other	-11.1	-9.1	-13.1	-11.4	**-0.3**
Group Head Office and others total	-10.4	-7.7	-10.7	-15.1	**0.6**
Metso total	103.5	132.2	112.9	121.0	**149.4**

OPERATING PROFIT (LOSS), % OF NET SALES

%	7-9/2010	10-12/2010	1-3/2011	4-6/2011	**7-9/2011**
Mining and Construction Technology	12.1	13.4	9.7	10.0	**10.7**
Energy and Environmental Technology	7.6	9.1	9.2	8.8	**11.3**
Paper and Fiber Technology	4.9	1.8	7.7	7.6	**7.1**
Valmet Automotive	3.5	3.9	3.5	-5.6	**1.3**
Group Head Office and other	n/a	n/a	n/a	n/a	**n/a**
Group Head Office and others total	n/a	n/a	n/a	n/a	**n/a**
Metso total	7.8	7.8	7.8	7.7	**9.6**

CAPITAL EMPLOYED

EUR million	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	June 30, 2011	**Sep 30, 2011**
Mining and Construction Technology	1,100	1,151	1,147	1,146	**1,165**
Energy and Environmental Technology	515	491	506	467	**474**
Paper and Fiber Technology	635	598	609	664	**522**
Valmet Automotive	24	41	55	43	**48**
Group Head Office and other	1,085	1,163	904	898	**1,073**
Group Head Office and others total	1,109	1,204	959	941	**1,121**
Metso total	3,359	3,444	3,221	3,218	**3,282**

Capital employed includes only external balance sheet items.

ORDERS RECEIVED

EUR million	7-9/2010	10-12/2010	1-3/2011	4-6/2011	**7-9/2011**
Mining and Construction Technology	643	651	841	1,185	**840**
Energy and Environmental Technology	341	447	392	872	**440**
Paper and Fiber Technology	417	387	565	798	**578**
Valmet Automotive	20	36	68	66	**71**
Group Head Office and other	-	-	-	-	**-**
Group Head Office and others total	20	36	68	66	**71**
Intra Metso orders received	-12	-23	-19	-38	**-11**
Metso total	1,409	1,498	1,847	2,883	**1,918**

ORDER BACKLOG

EUR million	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	June 30, 2011	**Sep 30, 2011**
Mining and Construction Technology	1,329	1,356	1,562	2,070	**2,218**
Energy and Environmental Technology	1,159	1,158	1,182	1,672	**1,694**
Paper and Fiber Technology	1,703	1,559	1,611	1,924	**2,074**
Valmet Automotive	-	-	-	-	**-**
Group Head Office and other	-	-	-	-	**-**
Group Head Office and others total	-	-	-	-	**-**
Intra Metso order backlog	-47	-50	-55	-73	**-60**
Metso total	4,144	4,023	4,300	5,593	**5,926**

PERSONNEL	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	June 30, 2011	**Sep 30, 2011**
Mining and Construction Technology	9,974	10,206	10,387	10,817	**10,962**
Energy and Environmental Technology	6,015	6,073	6,071	6,357	**6,303**
Paper and Fiber Technology	10,388	10,362	10,397	10,789	**10,595**
Valmet Automotive	668	1,425	1,378	1,421	**1,556**
Group Head Office and other	507	527	633	688	**677**
Group Head Office and others total	1,175	1,952	2,011	2,109	**2,233**
Metso total	27,552	28,593	28,866	30,072	**30,093**

Notes to the Interim Review

We have prepared this Interim Review in accordance with IAS 34 'Interim Financial Reporting'. The same accounting policies have been applied as in the annual financial statements. This Interim Review is unaudited.

New accounting standards

IFRS 9

In November 2009, IASB published IFRS 9 'Financial instruments: Recognition and measurement'. The standard represents the first phase in the replacement of IAS 39. It simplifies classification of financial assets and requires them to be measured either at amortized cost or at fair value.

In October 2010, IASB published the second part of IFRS 9 'Financial Liabilities – Classification and Measurement' according to which the accounting and presentation for financial liabilities shall remain unchanged except for those financial liabilities for which fair value option is applied. The next steps will cover impairment of financial assets and development of hedge accounting.

The whole standard, once completed, can now be estimated to become effective for the financial periods beginning on or after January 1, 2015.

As long as the whole standard is not finalized we cannot assess its impact to our financial statements.

IAS 12, amendment

In December 2010, IASB published 'Deferred Tax: Recovery of underlying assets – Amendment to IAS 12' providing an exception to the general principle on measuring deferred tax assets and tax liabilities. The amendment concerns investment property and it becomes applicable on or after January 1, 2012.

The amendment will not impact our financial statements.

IFRS 10

In May 2011, IASB published IFRS 10 'Consolidated Financial Statements', which defines the principle of control, which is the basis for consolidation to be used to identify whether an investor controls an investee and therefore must consolidate it. The standard replaces IAS 27 and covers the principles for the presentation and preparation of consolidated financial statements. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

The standard is not expected to have material impact to our financial statements.

IFRS 11

In May 2011, IASB published IFRS 11 'Joint Arrangements' on how a party to a joint arrangement should account for its involvement in such an arrangement. The entity has to determine the type of joint arrangement in which it is involved by assessing its rights and obligations, and account for those rights and obligations accordingly. The joint arrangement can either be a joint operation or a joint venture. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

The standard is not expected to have material impact to our financial statements.

IFRS 12

In May 2011, IASB published IFRS 12 'Disclosure of Interests in Other Entities', which requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, the preparer's interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

We are assessing the impact of the standard to our financial statement disclosures.

IFRS 13

In May 2011, IASB published IFRS 13 'Fair Value Measurement', which defines fair value, sets out in one standard a framework for measuring fair value and sets disclosure requirements about fair value measurements. It increases consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels giving the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

We are assessing the impact of the standard to our financial statement disclosures.

IAS 1, amendment

In June 2011, IASB published an amendment to IAS 1 'Presentation of Financial Statements' The amendment to the standard continues to allow the entity to choose between the 'one or two income statement' presentations but revises the way other comprehensive income is presented. It requires separate subtotals for those elements, which may be 'recycled' at a future date such as translation differences on disposal of a subsidiary and for those elements that will not be 'recycled', such as investments at fair value through other comprehensive income as defined by IFRS 9. The amendment is effective for financial periods beginning on or after July 1, 2012.

We will continue to present the income statement and the statement of comprehensive income as separate statements.

IAS 19, amendment

In June 2011, IASB published an amendment to IAS 19 'Employee Benefits'. It requires recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, eliminating the option to defer the recognition of gains and losses, known as the 'corridor method'. It requires disaggregation of the defined benefit cost into three components: service, net interest and remeasurement component, the last one being recognized under other comprehensive income. Net interest is calculated using high quality bond yield rate. The amendment requires enhanced disclosures about defined benefit plans.

The amendment is applicable to financial periods beginning on or after January 1, 2013.

The amendment will not impact the amount of the defined benefit liability (asset) reported in our balance sheet because we do not use the 'corridor method'. The calculation of net interest will impact the benefit cost reported in the profit or loss if the annual return calculated on assets has been higher than the discount rate applied to the benefit liability. We are assessing the impact of this change to our financial statements.

Provided these standards and amendments receive endorsement by the European Union, we will apply them when they become effective.

Decisions of the Annual General Meeting

Our Annual General Meeting (AGM) on March 30, 2011 approved the Financial Statements for 2010 and decided to discharge the members of the Board of Directors and the President and CEO from liability. The AGM approved the proposals of the Board of Directors to authorize the Board of Directors to resolve on a repurchase of Metso's own shares and on a share issue.

The AGM decided that a dividend of EUR 1.55 per share will be paid for 2010. The dividend was paid on April 12, 2011.

The AGM elected Jukka Viinanen Chairman of the Board and Maija-Liisa Friman Vice Chairman of the Board. Ozey K. Horton, Jr., was elected as a new member of the Board. Mikael von Frenckell, Christer Gardell, Yrjö Neuvo, Erkki Pehu-Lehtonen and Pia Rudengren were re-elected as Board members.

The AGM decided that the annual remunerations for Board members is EUR 92,000 for the Chairman, EUR 56,000 for the Vice Chairman and the Chairman of the Audit Committee, and EUR 45,000 for the members. In addition, it was decided that a meeting fee of EUR 600 is paid for members, whose residence is in the Nordic countries, EUR 1,200 for members whose residence is elsewhere in Europe and for those residing outside Europe, EUR 2,400 per meeting they attend, including committee meetings. Based on the decision of the AGM, the Board members have used 40 percent of their annual remuneration to buy Metso shares. The Board members acquired the shares from the market within two weeks after the publication of the first quarter Interim Review on April 28, 2011. In the beginning of May, altogether 4,308 shares were acquired.

The auditing company, Authorized Public Accountants PricewaterhouseCoopers Oy, was re-elected as our Auditor until the end of the next Annual General Meeting.

The AGM decided to establish a Nomination Board of the AGM to prepare proposals for the following AGM regarding the composition of the Board and director remuneration. Representatives of the four biggest shareholders are elected to the Nomination Board, and the Chairman of the Board of Directors serves as the Nomination Board's expert member.

Members of Board committees and personnel representative

Our Board elected members from among the Board for the Audit Committee and Remuneration and HR Committee at its assembly meeting on March 30, 2011. The Board's Audit Committee consists of Pia Rudengren (Chairman), Maija-Liisa Friman and Erkki Pehu-Lehtonen. The Remuneration and HR Committee consists of Jukka Viinanen (Chairman), Mikael von Frenckell, Christer Gardell and Yrjö Neuvo. The Board decided that the personnel representative participates in the Board meetings as an invited expert subject to the Finnish Act on the Personnel Representation in the Administration of Undertakings with no voting rights or legal liability for the Board's decisions. Metso's personnel groups in Finland have elected Jukka Leppänen as the personnel representative. His term of office is the same as the Board members' term.

Shares and share capital

At the end of September 2011, our share capital was EUR 240,982,843.80 and the number of shares was 150,348,256. The number of shares included 718,557 Metso shares held by the Parent Company, which represent 0.5 percent of all the shares and votes. The average number of shares outstanding in January–September, excluding Metso shares held by the Parent Company, was 149,629,807 and the average number of diluted shares was 149,839,513.

Metso's market capitalization, excluding the shares held by the Parent Company, was EUR 3,305 million on September 30, 2011 (EUR 5,031 million on September 30, 2010).

Metso is not aware of any shareholders' agreements regarding the ownership of Metso shares or voting rights.

Share-based incentive plans

Metso's share ownership plans are part of the remuneration and commitment program for Metso management. For further information, see www.metso.com/investors.

Share Ownership Plan for 2009–2011 (SOP 2009–2011)

In October 2008, the Board of Directors approved a share ownership plan for the years 2009–2011. The plan has one three-year earnings period and required participants' personal investment in Metso shares at the beginning of the program. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The plan has about 90 participants and the rewards that can be paid correspond to a maximum of about 370,000 Metso shares. Members of the 2011 Executive Team may receive a maximum of 54,600 shares as share rewards.

Share Ownership Plan for 2010–2012 (SOP 2010–2012)

In October 2009, the Board of Directors approved a similar kind of share ownership plan for the years 2010–2012. The plan has one three-year earnings period and required participants' personal investment in Metso shares at the beginning of the program. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The plan has about 90 participants and the rewards that can be paid correspond to a maximum of about 340,000 Metso shares. Members of the 2011 Executive Team may receive a maximum of 51,325 shares as share rewards.

Share Ownership Plan for 2011–2013 (SOP 2011–2013)

In September 2010, the Board of Directors approved a Metso Share Ownership Plan for 2011–2013. The plan includes one three-year earnings period and requires participants' personal investment in Metso shares at the beginning of the program. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The plan has about 75 participants and the rewards that can be paid correspond to a maximum of around 250,000 Metso shares. The shares for the plan are acquired in public trading and therefore the plan will not have a diluting effect on the share value. Members of the Executive Team may receive a maximum of 77,400 shares as share rewards.

Trading of Metso shares

The number of Metso Corporation shares traded on the NASDAQ OMX Helsinki Exchange during January–September was 148,743,141 shares, equivalent to a turnover of EUR 5,030 million. The price of the Metso share on September 30, 2011 was EUR 22.09 and the average trading price for the period was EUR 33.82. The highest quotation during the review period was EUR 43.27 and the lowest EUR 20.72.

Metso's ADSs (American Depositary Shares) are traded in the United States on the OTC market. On September 30, 2011, the closing price of an ADS was USD 29.22. Each ADS represents one share.

Disclosures of changes in holdings

During January-September, Metso did not receive any disclosures of changes in holdings in which ownership would have achieved, exceeded or decreased below the 5 percent limit or the other notification thresholds as set out in the Securities Markets Act.

Credit ratings

Metso's credit ratings remained unchanged during January-September 2011.

In September 2010, Moody's Investors Service confirmed our Baa2 long-term credit rating and raised the outlook from negative to stable, In August 2010, Standard and Poor's Rating Services affirmed Metso's BBB long-term credit rating and changed the outlook from negative to stable. At the same time, the short-term corporate credit rating was raised to A-2 from A-3.

Metso's Financial Reporting in 2012

Metso's Financial Statement Review for 2011 will be published on February 9, 2012.
Metso's Annual Report 2011 will be published, at the latest, in the week starting on March 5, 2012 (week 10).
Metso's Interim Reviews for 2012 will be published as follows: January–March will be published on April 26th,
January–June will be published on July 26th,
and January–September will be published on October 25th.

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